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Spotlight

ON FOREIGN MARKETING

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TO FAS MARKET DEVELOPMENT COORDINATORS AND AGRICULTURAL ATTACHES

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MEASURING SALES EFFECTS OF NON-BRAND ADVERTISING

An example of one method of measuring the sales responses to advertising has been reported by Peter L. Henderson, Acting Chief, Market Development Branch, Economic Research Service.

ERS recently conducted a study for the American Dairy Association on the effects of varying levels of ADA non-brand advertising on sales of fluid milk. Six markets with seasonal sales patterns were selected and tested alternately at three levels of promotion over a two-year period. In this case, the medium (17 cents per capita) level gave better returns per dollar of advertising expenditure than the heavy (32 cents per capita) and regular (2 cents per capita) promotion levels.

Henderson emphasized that the results of the ADA study only apply to the U.S., but that with reliable background data similar studies could be conducted for U. S. agricultural products overseas.

PRESIDENTIAL "E" AWARD

A Presidential "E" Award, inscribed by Secretary of Agriculture



A Presidential "E" Award was presented to Robert M. Adler, president of Miami International Hatcheries, Inc., by FAS Administrator Ray Ioanes in ceremonies in Washington, August 30. The happy supporting cast is Mrs. Adler, daughter Susan, and son Robert Jr.

Orville L. Freeman and Secretary of Commerce John T. Connor, was presented August 30 to Robert M. Adler, president of Miami International Hatcheries, Inc., by Raymond A. Ioanes, administrator, USDA's Foreign Agricultural Service.

Mr. Ioanes commended the firm for its contribution to the export expansion drive which brought the Nation's agricultural exports during the first fiscal year to \$6.7 billion.

As part of the ceremony, Mr. Adler was presented an official "E" certificate inscribed with the following citation:

"Establishing a distribution network in more than 35 countries in the Caribbean, and Central and South America, Miami International Hatcheries, Inc., has created new foreign markets for its chicks, eggs and breeding stock. Aided by a continuing direct mail program and personal contact by key officials, the company has substantially increased international sales on a sustained basis. This outstanding export program by Miami International Hatcheries reflects credit on management, employees and the American free enterprise system."

MARKET DEVELOPMENT CITED

Tsutomu Tanaka, director of administration for the Japanese Food Agency, cites three reasons for the growing popularity of U. S. wheat in Japan: (1) Market promotion work carried out in Japan by Wheat Associates, U.S.A., and the Department of Agriculture, in which Japanese millers, bakers, and consumers have participated; (2) the Department's policy of competitive pricing of wheat; and (3) the work by the Department, wheat producers, and railroads to place U.S. Hard Winter, Hard Spring, and Durum wheats on the West Coast where they could compete effectively with Canadian wheats.

The Food Agency, which handles all Japanese wheat imports, plans to import at least 150 million bushels of wheat this year with more than 50 percent coming from the United States. By

contrast, five years ago Japan bought 92 million bushels of wheat, with 30 percent coming from the U.S.

Tanaka is now in the U.S. as chief of a 7-man Japanese Government Wheat Mission, sponsored by Western Wheat Associates, Great Plains Wheat, and FAS. James Hutchinson, director of the Wheat Associates Tokyo office, is accompanying the team.

The team met with Secretary Freeman in Washington August 31, and is visiting the principal wheat production and supply areas of the Midwest and Pacific Northwest before returning to Japan September 28.

CLIPPINGS FROM ITALY

An impressive collection of articles and broadcasts about American agriculture has resulted from an April 26-May 16 U.S. visit of Italian journalists.

Almost an entire issue of AGRICOLTURA, the official monthly magazine of the Italian Ministry of Agriculture, was devoted to the visit. Nineteen articles have appeared in Italian newspapers and magazines with a combined circulation of close to 800,000. There have been at least two radio broadcasts in Italy on the subject and a TV interview with Secretary Freeman, recorded in Washington, D.C., to an estimated audience of 14 million.

The three-week tour was organized by FAS as a means of helping assure better understanding in Italy of U.S. agriculture and its interests. The team was made up of six journalists connected with leading agricultural and economic publications in Italy.



A team of Japanese flour millers at North Dakota State University learning how wheat is tested in the U.S. for production of superior noodle and bread products.

CONDITIONS FOR MOST EFFECTIVE PROMOTION

Use of a promotability audit appraisal in developing promotional programs for U.S. agricultural products is outlined in a recent study for the Federal Extension Service by Purdue University. Although the check list was primarily designed for use in the United States, the principles are applicable to planning of foreign promotions.

Sixteen key questions are listed as an indicator of whether a product, which had not been promoted previously, would be suitable for promotion in a specific market. The test is a form of self-appraisal with the answers being scored on a graduated rating scale. The higher the total points scored the more opportunity there is for an advertising and promotion program to give satisfactory results.

The test is designed to help groups already promoting an agricultural product, as well as those contemplating promotion. For those groups with existing promotional programs the audit may provide the basis for revising or strengthening programs or, even in some cases, raise the question of their continuation.

Those wishing to receive copies of the Purdue study and promotability audit appraisal should write to Lloyd Williams, Editor, SPOTLIGHT, FAS, U.S. Department of Agriculture, Washington, D.C. 20250.

LABELS IMPORTANT IN FRANCE

Results of an interesting food packaging survey in France are reported in the summer issue of Navy Bean News, a quarterly publication of the Michigan Bean Shippers Association.

Eighty-two percent of French housewives read the package label before buying the foods and 53.5 percent read or re-read the label after purchase; only 3.1 percent do not read it at all.

Thirty-five percent notice difference between the label and the contents and 92.8 percent want more than just the weight shown; they want the number of pieces shown too.

Most of those interviewed disliked foreign labels on imported goods and they wanted labels to give useful information, not unimportant details. Instructions for cooking and use should be more precise.

The survey covered 1,800 French families of all income brackets and was carried out by the Federation des Familles de France.

FEED GRAINS TEAMS

The U.S. Feed Grains Council will be hosts to four foreign teams during the next two months.

A Three-man German Grain Team will be in the U.S., September 11-28, with the purpose of impressing opinion makers in West Germany with the supply dependability of U.S. feed grains and to encourage assistance from the team members in developing projects to increase grain utilization through increased animal agriculture.

A Nine-man Italian Beef Cattle Team, composed of cattle feeders and Extension Service officials, is planned for September 12-27. The team will observe production and feedlot operations under widely varying conditions in many of the important cattle states.

A Four-man team of European corn processors will be coming September 29-October 18 to observe harvesting, handling, transportation and inspection systems and visit U.S. corn processing plants which are confronted with many of the same quality problems that face the European processor.

An Eight-man French Beef Team is scheduled for October 20-November 9. The team will study methods for producing grain-fed beef which could be quickly and profitably adapted to French conditions.

ATTACHE ASSIGNMENTS

Joe Williams, previously agricultural officer in Salisbury, is the new attache in Ankara, replacing Loyd Ad-

cock, who is returning for a FAS/Washington assignment.

Elmer Winner, assistant agricultural attache at the U.S. Trade Center in London, is being assigned as agricultural attache in Karachi.

Dick Smith, agricultural attache in San Salvador, will be taking over the reins in Bogota. He will be replaced by Dick Welton, who has been assistant agricultural attache in Buenos Aires since 1961.

Bob Adcock, the recent attache in Bogota, is being assigned to Kuala Lumpur.

Bill Scholz is moving from Milanto London to be assistant attache at the U.S. Trade Center.

EDITORS NOTE

Recently, I received a letter from a cooperator "headquartered back on the soil" suggesting that SPOTLIGHT give more attention to activities of cooperators located outside of Washington, D.C. We would welcome such contributions. The deadline for news items and photographs is always the first of each month. More direct news from attaches and cooperator offices overseas would also be greatly appreciated.

Some of you have asked for extra copies of the Agricultural Export Promotion Highlights 1965-1966, enclosed with the August issue of SPOTLIGHT. We have run off an additional supply to take care of your needs. Write, Lloyd R. Williams, Editor, SPOTLIGHT, Foreign Agricultural Service, U.S. Department of Agriculture, Washington, D.C. 20250.

TRADE CENTER EXHIBIT

CHARLES C. GIDNEY

Market development workers here and abroad were saddened to learn of the death of Charles C. Gidney Jr. in Rome, August 16.

Charley retired September 30, 1964 as European Regional Director for the U.S. Feed Grains Council, a position which he had held since July 1, 1960. He previously served 18 months as European representative for the Grain Sorghum Producers Association and as a U.S. foreign service officer for a period of 32 years.

U.S. specialty food products will be promoted in an exhibition at the U.S. Trade Center in London, October 4-13.

The exhibit will include poultry products of an unusual or specialty nature, wines, consumer packages of specialty cheeses, and certain selected nuts. A recent market survey in the U.K. indicated there is an excellent potential market for products of this nature. The U.K. is a major market for most types of American food and agricultural products, and consumer demand is growing rapidly for specialty products.



HERE and THERE

Howard W. Hardy has resigned as president of Great Plains Wheat, Inc., effective September 1, 1966. Charles W. Pence will continue as vice-president, assuming administrative responsibility for the programs and activities of the association. Ralph Ball, Sterling, Kansas, has been elected chairman of the board, succeeding Andrew Brakke, Presho, South Dakota, who has held the office the past two years.

The National Renderers Association will hold its 32nd annual convention at the Washington Hilton Hotel in Washington, D. C., November 2-5. Market development will be one of the featured topics in the convention program.

An experimental Van shipment of frozen U.S. turkeys arrived in Milan, Italy, July 28, as part of a continued USDA study to determine if van containers can reduce costs, time, and losses from spoilage and quality deterioration of perishable foods. The 26,000 pound shipment of whole, frozen, prepackaged turkeys arrived in good condition. The Institute of American Poultry Industries is cooperating in the study.

A Directory of Available Publications on Foreign Trade and Markets has been compiled by the Federal Extension Service. The directory includes publications of the Department of Agriculture, Department of Commerce, and State Universities. A listing of the key people in U.S. government agencies concerned with foreign trade and markets is also available. Those wishing to receive copies should write to Lloyd Williams, Editor, SPOTLIGHT, FAS, U.S. Department of Agriculture, Washington, D. C., 20250.

The U.S. Feed Grains Council will be holding its annual staff conference and membership meeting in Brainerd, Minnesota, September 6-9. Staff officers from Tokyo, Rome, London, Hamburg, Madrid and Athens, and 50 associated businesses and associations will be present to review project activities and exchange information on export potentials and prospects.

A German Oil Millers Team will be in the U.S., September 19-October 5, as guests of the Soybean Council. Soybean producing areas and processing plants will be visited. The team will represent some of the largest soybean crushers in West Germany and will include the President and Vice President of the German Oil Millers Association. Dr. Karl Fangauf, the Council country director for Germany, will accompany the team.

A seven-man team of Japanese flour millers were in the U.S. August 6-September 2. The team toured the wheat production and processing centers and conferred with Secretary Freeman and members of the grain trade. Western Wheat Associates and Great Plains Wheat hosted the visitors.

The Advertising Research Foundation will be holding its annual conference at the Waldorf Astoria in New York City, October 5. Subjects of interest include measuring advertising effectiveness and relating advertising dollars to market share objectives. Ray Steinbach of Cotton Council International will be among those attending.

The American Brahman Breeders' Association has scored a bulls-eye in market development with exports to Central America increasing from about \$74,000 in 1961 to an estimated \$1.1 million in 1965. Judging teams, purchasing missions and other activities of the Association helped to bring this about.

Many trade contacts for dairy products are reported to have been made at a U.S. Dairy Products Exhibit at the Sample Display Center in Beirut, June 23-July 15. The American Embassy commended Dara Khurody, regional coordinator for Dairy Society International in Beirut, "whose efforts were indispensable for the success of the exhibit.". Khurody will be coming to the U.S. in late September for meetings with industry and to assist in the preparation of marketing plans for dairy products.

U.S. agricultural exports are one of the bright spots in the unfavorable U.S. balance-of-payments picture. The dollar earnings of agricultural exports totaled a record \$5.1 billion in 1965, 45 percent above 1960. This record level of dollar earnings is \$1 billion larger than total agricultural imports and \$2.9 billion above supplementary (partially competitive) agricultural imports.

The Holstein Friesian Association participated in the July 12-24 Zulia Dairy Show in Venezuela. The Association representative, Maurice Mix, was one of the cattle judges and was able to secure orders for two Holstein bulls and 25-30 head of bred heifers. Additional orders are expected.

The 13th World's Poultry Congress in Kiev, USSR, August 15-28, included a U.S. exhibit and delegation from science, industry, and government. The primary emphasis was on poultry breeding, production, and marketing. A brochure pointing out how imports of U.S. poultry can be an initial step in building markets, and marketing and processing facilities for home grown poultry, was distributed among the delegates.

A Seven-man Venezuelan Wheat Trade Mission was in the U.S., August 7-September 9, as guests of Great Plains Wheat. The Venezuelan milling officials viewed the U.S. wheat industry from farm to export, including visits to terminal markets, boards of trade, export elevators, wheat producing areas and cereal laboratories.

A Two-man Austrian Feed Team will be arriving in the U.S. September 24 for a 2-3 week tour of soybean producing areas and processing plants. Visits will be made with exporters and other members of the trade. The team is sponsored by the Soybean Council and will be composed of the Head of the Department of Animal Breeding and Nutrition at the College of Agriculture in Vienna, and the Executive Secretary of the Livestock Producer Associations of Lower Austria.

Baked beans are going over big in the Netherlands. One of the largest U.S. processors of canned beans reports a 700 percent sales increase over the previous year. The results are attributed to a revised pricing policy and in-store promotions supported by advertising.

European Economic Community imports of U.S. agricultural products have increased 35 percent since 1961-62. The U.S. agricultural exports to the EEC in 1965-66 totaled about \$1.6 billion, 16 percent above the preceding year. The Netherlands was our leading EEC market, followed by West Germany, Italy, Belgium-Luxembourg, and France.

